



STATE OF MICHIGAN  
DEPARTMENT OF TREASURY  
LANSING

RICK SNYDER  
GOVERNOR

NICK A. KHOURI  
STATE TREASURER

**Bulletin 8 of 2015**  
**July 16, 2015**  
**Personal Property Tax Changes**  
**Property Tax Exemption Programs**

**TO:** Assessors, Equalization Directors and Interested Parties

**FROM:** State Tax Commission

**SUBJECT:** Personal Property Tax Changes Affecting Special Acts

Bulletin 12 of 2013 is rescinded.

Statutory changes made in 2012 and in 2015 require that certain specific exemption certificates remain in effect until the eligible manufacturing personal property exempted in those certificates becomes exempt under MCL 211.9m or MCL 211.9n. This provision is only in effect for certificates issued under the programs described below.

**A. Definitions:**

**Qualified New Personal Property (MCL 211.9m)** is defined as property that was initially placed in service in this state or outside of this state *after* December 31, 2012 or that was construction in progress on or after December 31, 2012 that had not been placed in service in this state or outside of this state before 2013 and is eligible manufacturing personal property (EMPP).

**Qualified Previously Existing Personal Property (MCL 211.9n)** means personal property that was first placed in service within this state or outside of this state more than 10 years before the current calendar year and is eligible manufacturing personal property (EMPP).

Additional definitions regarding EMPP can be found in Bulletin 7 of 2015.

**B. Industrial Facilities Tax Exemptions**

For any facility that was subject to an industrial facilities exemption certificate on or after December 31, 2012, the exemption certificate will remain in effect and not expire for that portion of the facility that is eligible manufacturing personal property until the property would otherwise be exempt under MCL 211.9m, 211.9n or 211.9o.

Please see Bulletin 7 of 2015 for more information regarding MCL 211.9m and 211.9n.

Please see Bulletin 11 of 2013 for more information regarding MCL 211.9o.

**Important Note:** The holder of any industrial facilities exemption certificate that has been extended shall indicate that portion of a facility that is Eligible Manufacturing Personal Property (EMPP) by filing Form 5278 with the assessor of the Township or City in which the personal property is located not later than February 20<sup>th</sup> of the first year for which the eligible manufacturing personal property is eligible personal property.

The State Tax Commission has determined that **filed not later than February 20**, means received by the local unit where the personal property is located **on or before February 20**. The State Tax Commission has also determined that late filed Form 5278 should not be accepted by the local unit. Any form 5278 that is not properly filed or is late filed is not considered denied by the assessing officer for purposes of appeal rights.

## **B. Technology Park Development Facilities Tax**

For any facility that was subject to a technology park development facilities tax exemption on December 31, 2012, the exemption will remain in effect and not expire for that portion of the facility that is eligible manufacturing personal property until the property would otherwise be exempt under MCL 211.9m, 211.9n or 211.9o.

Please see Bulletin 7 of 2015 for more information regarding MCL 211.9m and 211.9n.

Please see Bulletin 11 of 2013 for more information regarding MCL 211.9o

## **C. New Personal Property Exemption (Act 328)**

For any facility that was subject to a new personal property exemption certificate on or after December 31, 2012, the exemption will remain in effect and not expire for that portion of the facility that is eligible manufacturing personal property until the property would otherwise be exempt under MCL 211.9m, 9n or 9o **or**

Until the date the eligible manufacturing personal property is no longer exempt under the resolution adopted under MCL 211.9f(1), whichever is later.

Please see Bulletin 7 of 2015 for more information regarding MCL 211.9m and 211.9n.

Please see Bulletin 11 of 2013 for more information regarding MCL 211.9o

**Important Note:** An eligible business that owns or leases new personal property exempt under MCL 211.9f (Act 328) and that is Eligible Manufacturing Personal Property (EMPP) shall file Form 5278 with the assessor of the Township or City in which the personal property is located not later than February 20<sup>th</sup> of the first year that the New Personal Property (Act 328) is eligible personal property. Form 5278 shall indicate that the New Personal Property (Act 328) is eligible personal property.

Eligible personal property is defined in MCL 211.1053 (3)(e)(ii) and (iv) as: EMPP that is exempt under MCL 211.9f, approved after 2013 unless; the application for the exemption was filed with the local unit or the Next Michigan Development Corporation before August 5, 2014 and the resolution approving the exemption states the project is expected to have total new personal property of over \$25 million within 5 years of the adoption of the resolution **OR** personal property that was subjected to an extended exemption under 211.9f.

The State Tax Commission has determined that **filed not later than February 20**, means received by the local unit where the personal property is located **on or before February 20**. The State Tax Commission has also determined that late filed Form 5278 should not be accepted by the local unit. Any form 5278 that is not properly filed or is late filed is not considered denied by the assessing officer for purposes of appeal rights.

**Important Note:** The changes to MCL 211.9f approved by the Legislature include language that after December 31, 2014 new personal property under 9f does not include EMPP. This means exemption certificates cannot be issued after December 31, 2014 for property that would be considered EMPP.

#### **D. Enterprise Zone**

For any facility that was subject to an enterprise zone exemption on December 31, 2012, the exemption will remain in effect and not expire for that portion of the facility that is eligible manufacturing personal property until the property would otherwise be exempt under MCL 211.9m, 211.9n or 211.9o.

Please see Bulletin 7 of 2015 for more information regarding MCL 211.9m and 211.9n.

Please see Bulletin 11 of 2013 for more information regarding MCL 211.9o

#### **E. Assessor Responsibilities**

- Assessors must ensure they are taking all necessary steps to identify any exemptions that fall into the aforementioned categories. Assessors must identify what portion of the facilities will be eligible for the personal property tax exemptions that will phase in over the next 8 years and ensure that the eligible portion of these facilities receive their specific exemption until they are eligible for the personal property tax exemption.
- Assessors must return to the ad valorem roll any property that would not be eligible for the EMPP exemptions upon expiration of the existing exemption certificate.